

To these five Senators—WARNER, DOMENICI, CRAIG, HAGEL, and ALLARD—we say goodbye. They are members of our family. We appreciate their service. We know they have believed it has been a very great privilege to serve in the Senate. For us it has been a great privilege to serve with them.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

THE ECONOMY

Mr. REID. Mr. President, as I have said on many different occasions, one of the heroes in my family as I was growing up was Franklin Roosevelt. That is an understatement. One of the things I admired most about President Roosevelt was how he lifted our country out of the Great Depression and did so by speaking directly to the American people on the radio, telling the American people the truth. All he told us was not good news, explaining plainly what needed to be done.

Another President that we all admire, Democrats and Republicans, was Harry Truman. We all know that President Truman had on his desk a wooden sign that said, "The buck stops here." It did, and it does.

Today we face what economists call the greatest economic danger since the Great Depression. We have come to this point after 8 years of President Bush waging a war on fiscal responsibility. His Republican philosophy of removing all accountability from big business and expecting no responsibility from them in return has created this crisis that now threatens to devastate America's working families. President Bush put cronies and ideologues in charge of all critical regulatory agencies, including the Justice Department, who ensured that special interests would always come before the common good.

In one example of particular irresponsibility, the Bush administration refused to exercise its regulatory authority over the mortgage industry. The President's neglect allowed massive fraud and widespread predatory lending to pave the way for the largest mortgage crisis in our entire history, a crisis he continued to ignore long after the consequences of the plundering and pillaging of the mortgage market became clear.

Here in the Senate, we never got the support of President Bush when we were trying to do something with housing reform. In fact, just the opposite; he was threatening a veto. We had to break seven Republican filibusters on that legislation.

History will show that while all this was going on in the White House, for the last 20 months we Democrats were trying to restore fiscal sanity. Here are some examples over the years.

We have only been in control of the Senate for the last 20 months. Prior to that, in 2000, Senator Paul Sarbanes of Maryland, chairman of the Banking

Committee, introduced the Predatory Lending Consumer Protection Act to restrict abusive predatory lending. The same year, Senator SCHUMER introduced the Predatory Lending Consumer Protection Act. In 2002, Senator Sarbanes reintroduced his bill. In 2004, Senator Sarbanes and the current chairman of the Banking Committee, Senator DODD, called on the Federal Reserve to take action on alternative mortgages. Senator DODD called them a nightmare for low-income Americans. In 2005, the House of Representatives passed bipartisan legislation to reform the regulation of government-sponsored enterprises, Fannie Mae and Freddie Mac. It passed the House 331 to 90.

The Democratic minority in the Senate tried to pass it. We were blocked by the White House and Senate Republicans. When Representative Oxley, one-time chairman of the Banking Committee and a devout Republican, brought this legislation to the White House, the President, in the words of Mike Oxley, gave him "the cold shoulder and the one-finger salute" and rejected the bipartisan plan.

In February of 2008, Senate Democrats introduced the Foreclosure Prevention Act, which was blocked by Senate Republicans after a veto threat from the White House.

In June 2008, the White House threatened to veto the Federal Housing Finance Regulatory Reform Act, which would have improved oversight of Fannie and Freddie. The reason for the veto threat? They did not want to help communities struggling with foreclosures. If the President had signed this bill in June, we would have saved billions we must now spend to bail out Fannie and Freddie.

In every one of these instances, Democrats saw the storm clouds gathering and attempted to pass legislation that could have steered our course away from the crisis we now face. But every time, the White House and congressional Republicans chose to continue along their own irresponsible path, which brings us to where we are now.

After ignoring Democrats in Congress and good fiscal sense for 8 years, President Bush has sent Secretary Paulson and Chairman Bernanke to Congress to pitch his \$700 billion bailout. As I have said before, Secretary Paulson and Chairman Bernanke are good men. I believe they both have the best interests of our country at heart. I certainly hope so. But the testimony of yesterday's Banking Committee hearing made it clear that Secretary Paulson and Chairman Bernanke have not yet successfully made the case for the Bush plan. Democrats and Republicans raised serious questions about the plan, and I do not believe anyone—Democrat or Republican—felt those questions were sufficiently answered.

At 2 o'clock today, in the House of Representatives, their Banking Committee is going to listen to the Chairman and the Secretary.

As our country prepares to face the consequences of George Bush's fiscal dereliction of duty, Congress is prepared to act as quickly as we responsibly can. But the Congress, and especially the American people, have a right to know this: Where is President Bush? President Bush has sent Congress an unprecedented \$700 billion bailout proposal—\$700 billion straight from the pockets of every single man, woman, and child in America. Yet President Bush has been absent from what may well be the most important debate on economic policy in a generation.

Isn't it interesting. You look at our experience, the Presiding Officer's and my experience. When there was an issue of such paramount importance, we were always called to the White House. Not this time. The President has not been available. It has not been his issue.

Well, it is his issue. We have a right to know—Congress and the American people—where is President Bush? He sent Congress this unprecedented \$700 billion bailout proposal. This money, as I have said, is straight from the pockets of each one of us, and even our children and our children's children. Yet President Bush has been absent from what may well be the most important debate on economic policy in the history of our country.

I was listening to the radio this morning and Allan Sloan, who is an economic writer, said this issue is as big as he has ever seen or heard about. Well, I do not know if he is right, but I think the President should be available. He has given two brief statements to the press and a press release admonishing the Congress to accept his bailout plan immediately. Other than that, President Bush has been silent.

We must not forget, President Bush is still President of the United States. It is time for him to focus on the issues and tell the American people where he is. It is time for him to explain why 8 years of deregulation policies have brought us to this dangerous ground. It is time for him to explain why this administration sat on its hands for months and only now has come to realize the need for immediate and unprecedented Government action.

Where was he when it was called for during his first 7½ years? It is time for him to explain how he could tell our country for months that our economy was fine, the fundamentals were fine, yet overnight declare that if American taxpayers do not accept his bailout proposal, our country will face economic disaster.

And, most importantly, it is time for him to explain how his plan, drafted literally under the cover of darkness, will help America weather this storm. This is not the Paulson plan. This is not the Bernanke plan. This is not the Congress's plan. This is the Bush plan. It is time for him to take ownership and demonstrate leadership. He is our

President, and it is time for him to realize that the buck stops with him, as President Truman said.

If President Bush is serious about passing legislation quickly, he should address our country and make his case. Then he should seek to work with Members of both parties to reach a reasonable solution that American workers, families, small and large businesses all desperately need.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. REID. Mr. President, we have had a Senator object to a very important hearing taking place this afternoon. Therefore, we are going to have to recess at probably about 2:30 subject to the call of the Chair.

It is my understanding that the distinguished Republican leader is going to come to speak in an hour, hour and a half, but perhaps around 2:15. I ask unanimous consent that the Senate stand in a period of recess following the remarks of the Republican leader subject to the call of the Chair.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, is the Senate in morning business?

The PRESIDING OFFICER. That is correct.

Mr. DORGAN. I ask unanimous consent to speak for up to 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ECONOMY

Mr. DORGAN. Mr. President, I have often described on the floor the lyrics of Bob Will's and the Texas Playboys' song from the 1930s:

The little bee sucks the blossom and the big bee gets the honey; the little guy picks the cotton and the big guy gets the money.

Never is that more true than what we see today with the prospect of unbelievable financial bailouts and the mechanics of what is happening on Wall Street and the wreckage of the financial system. I wish to show my col-

leagues this about the bailouts by the administration. Everybody is talking about a \$700 billion proposed bailout by the Federal Reserve and Treasury Secretary Paulson. In fact, the Federal Reserve previously committed \$29 billion so J.P. Morgan could buy Bear Stearns, the investment bank that was failing. In addition, the Fed opened its discount window for direct loans to non-regulated banks for the first time since the Great Depression. We understand that this program and two other Fed loan programs total some \$300 billion. There is another \$300 billion for the Federal Housing Administration, and about \$200 billion for Fannie and Freddie; JPMorgan Chase for Lehman financing, \$87 billion; AIG insurance, \$85 billion; \$50 billion for money market funds that was offered as a guarantee; and now the prospect of \$700 billion is pending. That isn't just \$700 billion; that totals \$1.7 trillion. Even if the Congress decides not to provide the \$700 billion bailout that is being requested, there already exists \$1 trillion that have been offered to try to stabilize the financial system.

Now, the question is, How did we get into this mess? What caused this wreckage? What do we think we should do about it? I wish to talk for a bit about what caused this. I take no pride in being right 9 years ago as one of eight Senators who voted against the Financial Modernization Act. That act was a bunch of folks who sold to the Congress the proposition that what we put in place for protection in the 1930s, during the Great Depression, to separate banking from more speculative enterprises, such as real estate and securities—the decision was that that is old-fashioned, don't keep doing that; let's allow these companies to merge, to create massive financial holding companies—a kind of financial cafeteria under one roof. Let's bring them together, and you can build firewalls inside the organization. So the Financial Modernization Act was passed.

I said on the floor of the Senate then that within 10 years I believe we will see massive bailouts that will be paid for by the American taxpayer. I regret that I was right. It should not have happened, however. I wish to talk about what has happened as a result of taking down the basic protections. Let me go back to the start of two things—one I mentioned—the Financial Modernization Act, which took apart the protections. Second, a group of people came to this town boasting that they weren't interested in regulating. People were put into positions where they were supposed to regulate and decided not to regulate. Those two pieces together, taking apart the protections in law and putting in place people who wanted to be willfully blind in deciding not to regulate, steered us right toward the cliff. Here is what began to happen across the country. Most Americans saw this because you could not miss it. You wake in the morning and perhaps you brush your teeth or you shave in

front of a mirror and you might have a small television set that you are watching, seeing what is going on, and the advertisements come on—and they are always louder than the programs. The advertisements say: Hey, if you have been bankrupt or if you have bad credit, you can get a loan from us. Do you think you are paying too much for your home loan? Are your house payments too high? Get a loan from us.

This was the biggest mortgage bank in the country, Countrywide. They advertised this:

Do you have less than perfect credit? Do you have late mortgage payments? Have you been denied by other lenders? Call us.

America's biggest mortgage bank was saying: Have you got bad credit? Call us. Want a loan? Call us.

Millennia Mortgage said this in their advertisements:

Twelve months, no mortgage payments. That's right, we will give you the money to make your first 12 payments if you call in the next 7 days. We pay it for you. Our loan program may reduce your current monthly payment by as much as 50 percent and allow you no payments for the first 12 months. Call us today.

So Millennia Mortgage was saying: Get a mortgage from us. We will pay the first 12 months. They didn't say, of course, that that money you are not paying is going to go on the back end of the loan, with interest, and will substantially increase the cost of your loan.

Zoom Credit, in their advertisement, said this:

Credit approval is just seconds away. Get on the fast track at Zoom Credit. At the speed of light, Zoom Credit will preapprove you for a car loan, a home loan, or a credit card. Even if your credit is in the tank, Zoom Credit is like money in the bank.

Again, they say that even if your credit is in the tank, Zoom Credit is like money in the bank.

Zoom credit specializes in credit repair and debt consolidation, too. Bankruptcy, slow credit, no credit—who cares?

That is what they advertise. I don't know who the president of Zoom Credit was or who the president of Millennia was. I know who the president of Countrywide was. I know he is out of that company. That company is now collapsed and sold. He ended up with somewhere north of \$140 million in unbelievable outer-space compensation. I don't know who these company presidents were, but I assume the brokers and CEOs of these companies were wallowing in money. They were all wallowing in money like hogs in a corn crib, grunting and snorting, making out like bandits—billions of dollars. In fact, in the 9 years that have led up to this period, the bonuses on Wall Street were \$200 billion. I am not talking about salaries. I am talking about bonuses. In 9 years, it was \$200 billion. It was \$33 billion last year alone. So everybody is making money. They are advertising to people: got bad credit, bankrupt, slow pay, no pay? Doesn't matter. Come to us and get a mortgage.